

UNITED STATES CIVIL SERVICE COMMISSION
WASHINGTON 25, D. C.

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FILE
AND DATE OF THIS LETTER

August 25, 1954

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

On Friday, August 20, 1954, representatives of each agency attended a conference in which the Civil Service Commission announced the effective date of Public Law 598, (Federal Employees Group Life Insurance Act of 1954).

As brought out in that conference there was considerable urgency for setting an early effective date for the insurance plan, even though all details had not been worked out. In the further course of the meeting a question was asked about the problem of distribution of "Waiver of Life Insurance" forms to all employees, and what disposition would be permitted for insurance deductions taken during the first pay period if during that pay period the employee filed the required waiver.

A reply was made to the question, but it was misunderstood in some instances. For the benefit of your agency, you may be guided by the following decision:

In the event an eligible employee does not have a reasonable opportunity to waive life insurance coverage, and such waiver is received in your agency before the end of the first pay period in which coverage is effective insurance deductions shall not be made for such pay period, and if inadvertently made will be considered erroneous and subject to refund or adjustment on a subsequent payroll.

It should be noted, however, that after this first pay period, a waiver will be effective on the last day of the period in which it is received.

The General Accounting Office has advised that it will not object to payroll adjustments as the result of the situation outlined above.

Sincerely yours,

Philip Young
Philip Young
Chairman